



Public Safety Enhancement Fee

APRIL 15 & 16, 2021

Let's get up to speed...

- ▶ The Public Safety Enhancement Fee (PSEF) was originally introduced last Fall, and was a \$3 uniform service fee to be collected on each guest stay.
- ▶ The purpose of this fee was to enhance the level of public safety and for infrastructure improvements.

Where are we now?

- ▶ The City has begun analysis on this type of uniform service fee that may be imposed to see if there is any other municipality or county that does something similar to what is being proposed.
- ▶ We have been in contact with the City of Beaufort, Travelers Rest, City of Charleston, Charleston County, Folly Beach, Isle of Palms, Hilton Head and Fort Lauderdale.
- ▶ None of these locations have a fee imposed that is similar to what we are proposing.
- ▶ What these locations do impose is a Short Term Rental Permit Fee, however the name varies from municipality to municipality.

Myrtle Beach is a Unique Market

- ▶ After speaking with all of the different municipalities we learned that Myrtle Beach is a very unique market.
- ▶ All of the municipalities listed before embarked on stringent Short Term Rental Ordinances to combat the ever growing and extremely popular Short Term Rentals in residential areas.
- ▶ Many of these municipalities spent 18 months to 2 years developing their STR ordinances.
- ▶ The difference between our market and their markets is that the City does not actually allow short term rentals in residential areas like the other municipalities do.

Myrtle Beach is a Unique Market Continued...

- ▶ Our short term rentals are mainly confined to Ocean Blvd. with a few exceptions in other areas throughout the City limits.
- ▶ With the majority of our STR's being confined to certain areas, this is actually a great benefit to the City in regards to compliance.

The time has come for MB to develop a robust STR Ordinance

- ▶ The City is now researching a STR Ordinance that will have a 2-fold fee approach.
- ▶ The City is exploring 2 types of fees. One will be the PSEF and the other will be a Short Term Rental Permit Fee.
- ▶ There will be a \$3.00 PSEF fee and nominal Short Term Rental Permit fee.

What will the Short Term Rental Ordinance Allow and Enforce?

- ▶ The goal of the STR Ordinance is to clearly define what the STR permit requirements are as well as what properties are zoned for use, and what the PSEF is, and what it is to be used for.
- ▶ The STR Ordinance will also be designed to allow the City to enter the premises of the STR to make inspections for permit requirements such as occupancy, Construction Services building code inquiries, as well as support staff in enforcing noise ordinance and other complaint violations.
- ▶ The STR Ordinance will also allow for the City to make assessments and issue fines for non-compliance.
- ▶ There will also be a process for Permit denials, suspensions, revocations, and appeals similar to the Business License ordinance.

What funds will the PSEF and the STR Permit Fee be allocated to?

- ▶ Initially, in the preliminary talks last year, when the PSEF was first introduced, there was a discussion about where the PSEF funds would be allocated to. The original allocation was 75% to public safety and 25% to Infrastructure, and the fee would also cover administrative costs to implement the program.

New Technology Will Be Needed

- ▶ New technology will be needed to help us implement this program and assist with enforcement.
- ▶ All of the other municipalities that I spoke with use some sort of STR identification software to help them identify STR's that are advertising and not in compliance.

Should There be an Independent Board to Manage these fees?

- ▶ In the original PSEF conversations, there was the establishment of a board or committee, that would be comprised of members of the community, and would work in conjunction with City Council in regards to the allocation of the funds collected, to identify special projects for which the money should be spent. The PSEF also contained a provision that the fee would sunset after 5 years unless City Council readopted the fee.

Timeline

- ▶ At the present time the ordinance is still being drafted.
- ▶ Discussions are in place about the need for STR identification software.
- ▶ Conversations have begun about the enforcement aspect and the ability to conduct inspections as well as all legal implications.
- ▶ There is a needs assessment that has begun for all Departments involved in regards to staffing levels and the amount of staff that will be needed to adequately support this project.
- ▶ The goal is to have this ordinance before City Council by late summer or early fall.

Questions?

